

Annual Financial Statements

for

Blouberg Municipality



for the year ended 30 June: **2013**

Province: Limpopo

AFS rounding: R (i.e. only cents)

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Blouberg Municipality
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2013

General information

Members of the Council

Sekgoloane S.E	Mayor
Thamaga M.N	Speaker
Chishi M.M	Chief Whip
Ratladi S.D (chairperson :Infrastructure)	Member of the Executive Committee
Masekwameng M.R (Chairperson : Finance)	Member of the Executive Committee
Moshuhla M.W (Chairperson : Special Focus)	Member of the Executive Committee
Sithukga Sekadi Elina (Corporate Services)	Member of the Executive Committee
Tutja Tebogo Philemon (Chairperson community services)	Member of the Executive Committee
Tjumana Mashingwana Mienkie	Member of the Executive Committee
Morapedi M.A (Chairperson : Economic Dev & Planning)	Member of the Executive Committee
Rapheaga Kgabo Thomas	Member
Lehong Mathekga Violet	Member
Rangata Morongwa Johanna	Member
Mosebedi Matome Erasmus	Member
Morukhu Mangako Beauty	Member
Seduma Matee Derrick	Member
Raseruthe Matome Agnes	Member
Makobela Setumo Robert	Member
Boloka Mushaisane Phineas	Member
Nabane Ngoako Bishop	Member
Sekwatlakwatla Sewela Phelecity	Member
Kgwatalala Mashilo Moses	Member
Manetja Mokgadi Rosta	Member
Moetji Ngakwana Tiny	Member
Ntlatla Mahlodi William	Member
Mathekgane Chuene Rosina	Member
Mojodo Malatsi Daniel	Member
Kobe Ditshego Margaret	Member
Molokomme Nkgolo Olivia	Member
Ntlema Matome Abram	Member
Mashalane Mmapitsi Simon	Member
Shongoane Selekha Linah	Member
Kotsinkwa Phakedi Joseph	Member
Mathidza Sewela Elisa	Member
Keetse Machuene Charles	Member
Maboya Mmatshoene Solomon	Member
Tlouamma Ntshilo Martin	Member
Chauke Kganakga Ronald	Member
Phosa Matlala Helen	Member
Modishetji Matome Petrus	Member
Mokgehle Pitsi Saldinah	Member
Mokgehle Pitsi Saldinah	Member

Municipal Manager

Kgoale TMP

Chief Financial Officer

Raganya MC

Grading of Local Authority

Level 3

Auditors

Auditor-General

Bankers

ABSA BANK

Blouberg Municipality
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General information (continued)

Registered Office:	Dendron
Physical address:	2nd Building Dendron Road 0790
Postal address:	P.O box 1593 Senwabarwana 0790
Telephone number:	(015) 505 7100
Fax number:	(015) 505 0296
E-mail address:	info@blouberg.gov.za

Blouberg Municipality
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Approval of annual financial statements

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 49 in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 23 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Municipal Manager:

31 August 2013

Blouberg Municipality
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Blouberg Municipality
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
for the year ending 30 June 2013

1 ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any accounting policies are explained in the relevant policy.

PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next

COMPARATIVE INFORMATION

Budget information in accordance with GRAP 1 and 24, has been provided in an annexure to these financial statements and forms part of the audited annual statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively if practicable, and the prior year comparatives are restated accordingly.

STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 105 - Transfers of Functions Between Entities Under Common Control
GRAP 106 - Transfers of Functions Between Entities Not Under Common Control
GRAP 107 - Mergers
GRAP 18 - Segment Reporting
GRAP 20 - Related Party Disclosures

The following standards, amendments to standards and interpretations have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 18 - Segment Reporting

Nature of impending changes in accounting policy:

Impact on the municipality's financial statements once implemented:

1.2 PROPERTY, PLANT AND EQUIPMENT

INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components of property, plant and equipment).

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period.

INITIAL MEASUREMENT

Items of property, plant and equipment are initially measured at cost at the acquisition date.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

SUBSEQUENT EXPENDITURE

Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequent expenditure including major spare parts and servicing equipment qualify as property, plant and equipment if the recognition criteria are met.

SUBSEQUENT MEASUREMENT

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. An asset is depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

DEPRECIATION

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciable amount is the cost of the asset less its estimated residual value, where applicable. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

Infrastructure		Other
Roads and Paving	5-50	Buildings
Pedestrian Malls		Specialist vehicles
Electricity	5-50	Other vehicles
Water	5-50	Office equipment
Sewerage	10-50	Furniture and fittings
		Watercraft
Community		Bins and containers
Buildings	5-50	Specialised plant and equipment
Recreational Facilities	5-50	Other items of plant and equipment
Security	5-50	Quarries
Halls	5-50	Emergency equipment
Libraries	5-50	Computer equipment
Parks and gardens	5-50	
Other assets	5-50	
Heritage assets		
Buildings	5-50	
Paintings and artifacts	5-50	
Finance lease assets		
Office equipment		
Other assets		

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

DERECOGNITION

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds less carrying value and is recognised in the Statement of Financial Performance.

1.3 INTANGIBLE ASSETS

INITIAL RECOGNITION

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, and development costs. A municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
 - it is technically feasible to complete the intangible asset;
 - the municipality has the resources to complete the project; and
 - it is probable that the municipality will receive future economic benefits or service potential;
- the municipality has the ability to measure reliably expenditure during development.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to that of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

SUBSEQUENT MEASUREMENT

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life that is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

AMORTISATION

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual rates are based on the following estimated average asset lives:

Computer software

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised in the Statement of Financial Performance.

IMPAIRMENT

Refer to accounting policy number

2.03

DERECOGNITION

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value recognised in the Statement of Financial Performance.

1.4 INVESTMENT PROPERTY

INITIAL RECOGNITION

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of business.

Investment Property is initially recognised when future economic benefits or service potential are probable and the cost or fair value can be determined reliably.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, if an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is deemed to be the fair value at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property (plant and equipment), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

SUBSEQUENT MEASUREMENT

Investment property is measured using the cost model. Under the cost model, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that in relation to the whole asset and that have different useful lives are depreciated separately.

IMPAIRMENT - INVESTMENT PROPERTY HELD AT COST

Refer to accounting policy number 2.03

DERECOGNITION

Investment property is derecognised when there is a disposal or no future economic benefits or service potential are to be derived from the property.

All gains or losses, which result from the derecognition, are recognised in the Statement of Financial Performance.

1.5 BIOLOGICAL ASSETS

RECOGNITION

A biological asset or agricultural produce is recognised when, and only when:

MEASUREMENT

Biological assets are measured at their fair value less estimated point-of-sale costs.

The fair value of the vine / pine plantations is based on the combined fair value of the land and the vines / pine trees. The fair value of the raw land and land is then deducted from the combined fair value to determine the fair value of the vines / pine trees.

A gain or loss arising on initial recognition of agricultural produce at fair value less estimated point-of-sale costs is included in profit or loss for the period in which the gain or loss arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market pre-tax rate is used to determine fair value.

An unconditional government grant related to a biological asset measured at its fair value less estimated point-of-sale costs is recognised as income when the grant becomes receivable.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on biological assets where fair value cannot be determined, to write down the cost, less residual value.

IMPAIRMENT - BIOLOGICAL ASSETS AT COST

Refer to accounting policy number 2.03

DERECOGNITION

Agricultural produce is derecognised at the point of reclassification to inventory. As the fair value less point-of-sale costs becomes the cost of the inventory, it is derecognised at the point of reclassification.

Biological assets are derecognised when the entity disposes thereof or when it is no longer probable that future economic benefits or service potential will be derived from the biological asset. Any gain or loss that arises at the point of derecognition is recognised in surplus or deficit at the point of derecognition.

1.6 NON-CURRENT ASSETS HELD FOR SALE

RECOGNITION

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

MEASUREMENT

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

DERECOGNITION

Non-current assets and disposal groups held for sale are derecognised upon disposal of the item or where no further economic benefits or service potential flow from the asset or disposal group. Gains / loss that result from the derecognition of non-current assets or disposal groups held for sale are recognised in the period of the derecognition.

1.7 INVENTORIES

INITIAL RECOGNITION AND MEASUREMENT

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost, which generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventories are manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value on the date acquired.

SUBSEQUENT MEASUREMENT

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year they arise. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The basis of determining cost is the first-in, first-out (FIFO) method.

DERECOGNITION

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost is capitalised to the cost of another asset.

1.8 FINANCIAL INSTRUMENTS

INITIAL RECOGNITION

The entity recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, the entity becomes a party to the contractual provisions of the instrument. This is achieved through the application of trade date accounting.

Upon initial recognition the entity classifies financial instruments or their component parts as a financial liability, financial asset or residual interest in the consolidated financial statements, depending on the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

INITIAL MEASUREMENT

When a financial instrument is recognised, the entity measures it initially at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

SUBSEQUENT MEASUREMENT

Subsequent to initial recognition, financial assets and financial liabilities are measured at fair value, amortised cost or cost.

All financial assets and financial liabilities are measured after initial recognition using the following categories:

INVESTMENTS AT AMORTISED COSTS

Investments are categorised as financial instruments at amortised cost and are subsequently measured at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

INVESTMENT AT FAIR VALUE

Investments, which represent investments in residual interest for which fair value can be measured reliably, are subsequently measured at fair value.

Gains and losses in the fair value of such investments are recognised in the Statement of Financial Performance.

INVESTMENT AT COST

Investments at cost, which represent investments in residual interest for which there is no quoted market price and for which fair value cannot be measured reliably, are subsequently measured at cost.

INVESTMENT GUARANTEE

The municipality's investment is fixed deposit held at ABSA as Eskom Guarantee
The municipality does not have access, they only receive interest on that investment.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and subsequently stated cost, less provision for impairment. All trade and other receivables are assessed at least annually for possible impairment. Impairments of trade and other receivables are determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account.

Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as trade receivables. Interest is charged on overdue accounts.

TRADE PAYABLES AND BORROWINGS

Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

IMPAIRMENT OF FINANCIAL ASSETS

All financial assets measured at amortised cost, or cost, are subject to an impairment review. The entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

IMPAIRMENT FOR FINANCIAL ASSETS HELD AT AMORTISED COST

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset that is not individually significant, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Financial assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting the allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

IMPAIRMENT OF FINANCIAL ASSETS HELD AT COST

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

DERECOGNITION

A financial asset is derecognised only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset;
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party who has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

A financial liability is derecognised when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where the terms of an existing financial liability are modified, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

1.9 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the investor has significant influence and which is neither a controlled entity nor a joint venture of the investor. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies. The municipality exercises judgement of all available information to determine if it has significant influence over an investee.

The equity method involves recognising the investment initially at cost, then adjusting for any change in the investor's share of net assets of the associate since it was acquired. A single line-item in the Statement of Financial Performance presents the investor's share of the associate's surplus or deficit for the year.

The municipality commences accounting for an investment in an associate from the date that significant influence exists and discontinues the application of the equity method when it no longer has significant influence over an associate. Investments that are retained in whole or in part are subsequently accounted for in accordance with the accounting policies on subsidiaries, joint ventures or financial instruments depending on the nature of the retained investment.

The municipality uses the most recent available financial statements of the associate in applying the equity method. Where the reporting periods of the associate and the municipality are different, separate financial statements for the same period are prepared by the associate unless it is impracticable to do so. When the reporting periods are different, the municipality makes adjustments for the effects of any significant events or transactions between the investor and the associate that occur between the reporting dates. Adjustments are made to ensure consistency between the accounting policies of the associate and the municipality.

1.91 INTEREST IN JOINT VENTURE

The Entity has an interest in a joint venture, which is a jointly controlled entity, whereby the venturers have a contractual arrangement that establishes joint control over the economic activities of the entity. The agreement requires unanimous agreement for financial and operating decisions among the venturers. The Entity recognises its interest in the joint venture using the proportionate consolidation method. The Entity combines its proportionate share of each of the assets, liabilities, income and expenses of the joint venture with similar items, line by line, in its financial statements. The financial statements of the joint venture are prepared for the same reporting period as the Entity. Adjustments are made where necessary to bring the accounting policies in line with those of the Entity.

Adjustments are made in the Entity's financial statements to eliminate the Entity's share of intra-group balances, transactions and unrealised gains and losses between the Entity and its joint venture. Losses on transactions are recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss. The joint venture is proportionately consolidated until the date on which the Entity ceases to have joint control over the joint venture.

Upon loss of joint control, the Entity measures and recognises its remaining investment at its fair value. Any difference between the carrying amount of the investment and the fair value of the investment upon loss of joint control and the fair value of the remaining investment and proceeds from disposal are recognised in surplus or deficit. Where the investment constitutes significant influence, it is accounted for as investment in an associate.

1.92 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 20 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.93 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000) or the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.94 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.95 CONDITIONAL GRANT AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.95 PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating loss present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The municipality has a detailed formal plan for the restructuring identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating ;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- (b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its n those affected by it.

1.96 BUDGET INFORMATION

The annual budget figures have been presented in accordance with the GRAP reporting framework. A separate statement of comparison of budget and actual which forms part of the annual financial statements has been prepared. The comparison of budget and actual amount will be presented on the same accounting classification basis and for the same entity and period as for the approved budget. The budget of the municipality is taken for a stakeholder consultative process.

The approved budget is prepared on a cash and accrual basis and covers the fiscal period from 2012/07/01 to 2013/06/30.

The most recent approved budget by Council is the final budget for the purpose of comparison with the actual amounts.

1.97 RELATED PARTIES

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the local sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality. Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.98 CAPITAL COMMITMENTS

Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- where the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

1.99 VALUE ADDED TAX

VAT is payable on the cash basis. Payment is received from debtors VAT is paid over to SARS.

2 EVENTS AFTER REPORTING PERIOD

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. The municipality must ensure that all adjusting and non-adjusting events after the reporting period are identified.

Adjusting events after the reporting period

Adjusting events after the reporting period are those events that provide evidence of conditions that existed at the reporting date. A municipality should adjust recognised in its annual financial statements to reflect adjusting events after the reporting period.

Non-adjusting events after the reporting period

Non-adjusting events after the reporting period are those that are indicative of conditions that arose after the reporting date. A municipality shall not adjust the recognised in its financial statements to reflect non-adjusting events after the reporting period but may need to disclose these events in the notes to the AFS if its materiality.

1.97 LEASES

MUNICIPALITY AS LESSEE

RECOGNITION

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the entity through agreement. Assets subject to finance leases are recognised in the Statement of Financial Position at the inception of the lease, as is the corresponding financial liability.

Assets subject to operating leases, i.e. those leases where substantially all of the risks and rewards of ownership are not transferred to the lessee through the recognised in the Statement of Financial Position. The operating lease expense is recognised over the course of the lease arrangement.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date; namely whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

MEASUREMENT

Assets subject to a finance lease, as recognised in the Statement of Financial Position, are measured (at initial recognition) at the lower of the fair value of the asset and the present value of the future minimum lease payments. Subsequent to initial recognition these capitalised assets are depreciated over the contract term.

The finance lease liability recognised at initial recognition is measured at the present value of the future minimum lease payments. Subsequent to initial recognition the liability is carried at amortised cost, with the lease payments being set off against the capital and accrued interest. The allocation of the lease payments between principal and interest portion of the liability is effected through the application of the effective interest method.

The finance charges resulting from the finance lease are expensed, through the Statement of Financial Performance, as they accrue. The finance cost is recognised using the effective interest method.

The lease expense recognised for operating leases is charged to the Statement of Financial Performance on a straight-line basis over the term of the relevant asset. If the straight-lined lease payments differ from the actual lease payments the difference is recognised in the Statement of Financial Position as either prepaid lease payments (operating lease asset) or lease payments payable (operating lease liability) as the case may be. This resulting asset and / or liability is the undiscounted difference between the straight-line lease payments and the contractual lease payments.

DERECOGNITION

The finance lease liabilities are derecognised when the entity's obligation to settle the liability is extinguished. The assets capitalised under the finance lease are derecognised when the entity no longer expects any economic benefits or service potential to flow from the asset.

The operating lease liability is derecognised when the entity's obligation to settle the liability is extinguished. The operating lease asset is derecognised when the entity no longer anticipates economic benefits to flow from the asset.

MUNICIPALITY AS LESSOR

RECOGNITION

For those leases that meet the definition of a finance lease, where the entity is the lessor, the entity derecognises the asset subject to the lease at the inception of the lease. Along with the derecognition of the asset the entity recognises a finance lease receivable. Finance lease income is allocated to between the finance lease receivable and the finance income using the effective interest rate method and the resulting finance income is recognised in the Statement of Financial Performance as it accrues.

For those leases classified as operating leases the asset subject to the lease is not derecognised and no lease receivable is recognised at the inception of the lease. Payments received under an operating lease are recognised as income, in the Statement of Financial Performance, in the period that the income accrues.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date; namely, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

MEASUREMENT

Finance lease receivables are recognised at an amount equal to the entity's net investment in the lease. This net investment in the lease is calculated as the minimum future lease payments and unguaranteed residual value discounted over the lease term at the rate implicit in the lease.

Rental Income from operating leases is recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined lease the contractual lease payments are recognised as either an operating lease asset or operating lease liability. An operating lease liability is raised to the extent payments are received in advance (i.e. the straight-line lease payments are more than the contractual lease payments). The operating lease asset and / or liability are measured as the undiscounted difference between the straight-line lease receipts and the contractual lease receipts.

DERECOGNITION

Finance lease receivables are derecognised when the entity's right to the underlying cash flows expire or when the entity no longer expects economic benefit: the finance lease receivable.

Operating lease liabilities are derecognised when the entity's obligation to provide economic benefits or service potential under the lease agreement expires. lease assets are derecognised when the entity's right to the underlying cash flows expire or the entity no longer expects economic benefits to flow from the op asset.

1.98 REVENUE

REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrues to the entity directly in return for services rendered or goods sold, the value of which app consideration received or receivable, excluding indirect taxes, rebates and discounts.

RECOGNITION

Revenue from exchange transactions is only recognised once all of the following criteria have been satisfied:

- a) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- b) The amount of revenue can be measured reliably; and
- c) It is probable that the economic benefits or service potential associated with the transaction will flow to the entity and the costs incurred or to be incurred in transaction can be measured reliably.

Revenue arising out of situations where the entity acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission entity as compensation for executing the agreed services.

MEASUREMENT

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable taking into account the amount of any trade dis volume rebates allowed by the entity.

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoice

Interest revenue is recognised on a time proportion basis.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted t includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or com to the municipality as compensation for executing the agreed services.

EXPENDITURE FROM EXCHANGE TRANSACTIONS

Expenditure arising from exchange-transactions is similar to the policy for exchange revenue.

REVENUE FROM NON-EXCHANGE TRANSACTIONS

RECOGNITION

Revenue from non-exchange transaction arises when the entity either receives value from another entity without directly giving approximately equal value in e gives value to another entity without directly receiving approximately equal value in exchange.

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and t liability to repay the amount.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an a is not a corresponding liability in respect of related conditions.

MEASUREMENT

An asset that is recognised as a result of a non-exchange transaction is recognised at its fair value at the date of the transfer. Consequently, revenue arising from an exchange transaction is measured at the fair value of the asset received, less the amount of any liabilities that are also recognised due to conditions that must be satisfied.

Where there are conditions attached to a grant, transfer or donation that gave rise to a liability at initial recognition, that liability is transferred to revenue as the conditions attached to the grant are met.

Grants without any conditions attached are recognised as revenue in full when the asset is recognised, at an amount equalling the fair value of the asset received.

Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor.

EXPENDITURE RELATING TO NON-EXCHANGE TRANSACTIONS

Expenditure arising from non-exchange transactions is similar to policy for non-exchange revenue.

1.99 HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act (Act 107 of 1997).

Sections 15 (5) and 16 of the Housing Act, which came into effect on 1 April 1998, required the Entity to maintain a separate housing operating account. This legislated separate operating account is known as the Housing Development Fund and is fully cash-backed.

In terms of section 14(4)(d)(ii)(aa), read with inter alia section 16(2), the Housing Act required that the net proceeds of any letting, sale or alienation of property, previously financed from government housing funds, to be paid into a separate operating account, and be utilised by the Entity for housing development in accordance with the National Housing Policy.

2 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

2.01 RETIREMENT BENEFITS

SHORT TERM EMPLOYEE BENEFITS

Short term employee benefits encompass all those benefits that become payable in the short term, i.e. within a financial year or within 12 months after the financial year end. Therefore, short term employee benefits include remuneration, compensated absences and bonuses.

Short term employee benefits are recognised in the Statement of Financial Performance as services are rendered, except for non-accumulating benefits, which are recognised when the specific event occurs. These short term employee benefits are measured at their undiscounted costs in the period the employee renders service or the specific event occurs.

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the municipality during a reporting period, the municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the

expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the municipality has no realistic alternative but to make the payments.

POST -EMPLOYMENT BENEFITS

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which the municipality provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

POST -EMPLOYMENT BENEFITS :DEFINED CONTRIBUTION PLANS

Defined contribution plans are post-employment benefit plans under which the municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the municipality during a reporting period, the municipality recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within 12 months after the end of the reporting period in which the employees render the related service, they are discounted.

LONG TERM EMPLOYEE BENEFITS

Long-term employee benefits are employee benefits that are due to be settled after twelve months after the end of period in which the employees render service.

Short-term employee benefits include items such as:

- Long service awards
- Long term leave

2.02 CONSTRUCTION CONTRACTS AND RECEIVABLES

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of activity at the reporting date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recovered. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

2.03 IMPAIRMENT OF NON-FINANCIAL ASSETS

RECOGNITION

The entity assesses at each reporting date whether there is an indication that an asset may be impaired. Where the carrying amount of an asset exceeds its recoverable amount (or recoverable service amount in the case of non-cash-generating assets), the asset is considered impaired and is written down to its recoverable amount (or recoverable service amount).

MEASUREMENT

An asset's recoverable amount (or recoverable service amount) is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use. The recoverable amount (or recoverable service amount) is determined for individual assets, unless those individual assets are part of a larger cash generating unit, in which case the recoverable amount (or recoverable service amount) is determined for the whole cash generating unit.

An asset is part of a cash generating unit where that asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

In determining the recoverable amount (or recoverable service amount) of an asset the entity evaluates the assets to determine whether the assets are cash generating assets or non-cash generating assets.

For cash generating assets the value in use is determined as a function of the discounted future cash flows from the asset. In assessing value-in-use for cash generating assets, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, other fair value indicators are used.

Impairment losses of continuing operations are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

REVERSAL OF IMPAIRMENT

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

IMPAIRMENT OF SPECIFIC NON-FINANCIAL ASSETS

PROPERTY, PLANT AND EQUIPMENT

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

INTANGIBLE ASSETS

The entity tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is performed at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Irrespective of whether there is any indication of impairment, the municipality also tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the end of every period.

INVESTMENT PROPERTY HELD AT COST

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is performed at each reporting date. Where the carrying amount of an Investment Property is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

HERITAGE ASSETS

Where the carrying amount of an item of heritage asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Where items of heritage asset have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no i been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

BIOLOGICAL ASSETS HELD AT COST

Where the carrying amount of an item of biological assets held at cost is greater than the estimated recoverable amount (or recoverable service amount), it is immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Where items of biological assets held at cost have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense ir of Financial Performance in the period that the impairment is identified.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no i been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

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Blouberg Municipality
Statement of Financial Performance
for the year ending 30 June 2013

	Note	2013 R	Restated 2012 R
REVENUE			
Revenue from exchange transactions		24 022 913	24 793 244
Service charges	16	13 337 417	6 722 694
Rental of facilities and equipment	17	866 284	806 911
Interest earned - external investments	18	422 508	712 912
Interest earned - outstanding receivables	19	192 715	44 497
Licences and permits		2 608 399	2 607 570
Other income from exchange transactions	21	6 595 590	13 898 659
Revenue from non-exchange transactions		139 442 919	141 026 819
Property rates	15	15 411 243	7 929 213
Fines		1 645 114	1 464 258
Fuel Levy		-	-
Government grants and subsidies	20	122 386 561	113 914 467
Public contributions and donations	21	-	17 718 882
Total revenue		163 465 832	165 820 063
EXPENSES			
Employee related costs	22	58 588 203	45 930 019
Remuneration of councillors	23	10 594 905	9 854 910
Bad debts impairment		9 498 659	-
Collection costs		-	-
Depreciation and amortisation expense	24	46 426 830	45 069 800
Repairs and maintenance		1 470 418	2 029 434
Bulk purchases	25	14 762 525	12 573 822
Contracted services	26	1 897 564	1 577 535
General expenses	27	31 934 199	43 433 424
Total expenses		175 173 303	160 468 945
Gain / (loss) on sale of assets	28	-34 204	-
(Impairment loss) / Reversal of impairment loss	29	-96 366	-
Gain / (loss) on fair value adjustment	-	-	-
Inventories: (Write-down) / Reversal of write-down to net	1	-	-
Surplus / (deficit) for the period before tax		-11 838 041	5 351 118
Taxation		-	-
Surplus / (deficit) for the period		-11 838 041	5 351 118
Attributable to owners of the controlling entity		-11 838 041	5 351 118
Attributable to non-controlling entity		-	-
Surplus / (deficit) for the period		-11 838 041	5 351 118

Blouberg Municipality
Statement of Financial Position
as at 30 June 2013

	Note	2013 R	Restated 2012 R
ASSETS			
Current assets		31 843 878	29 377 567
Inventories	1	1 416 568	3 165 395
Cash and cash equivalents	2	2 349 601	3 161 504
Trade and other receivables from exchange transactions	3	16 482 906	12 438 199
Trade and other receivables from non-exchange transactions	4	4 826 364	6 216 422
Other current financial assets	6	4 963 705	2 494 446
VAT receivable	11	1 804 734	1 901 601
Non-current assets		813 808 258	833 123 998
Non-current investments	5	3 097 833	4 029 617
Property, plant and equipment	7	810 710 425	829 094 381
Biological assets	8	-	-
Total assets		845 652 136	862 501 565
LIABILITIES			
Current liabilities		29 625 505	35 258 744
Trade and other payables from exchange transactions	9	11 106 359	17 631 914
Consumer deposits	10	1	1
VAT payable	11	-	-
Current provisions	12	5 493 785	4 127 657
Bank overdraft	2	-	-
Current portion of unspent conditional grants and receipts	13	9 741 137	3 592 698
Other current financial liabilities	14	3 284 222	9 906 474
Non-current liabilities		1 619 000	1 004 000
Non-current unspent conditional grants and receipts	13	-	-
Non-current provisions	12	1 619 000	1 004 000
Total liabilities		31 244 505	36 262 744
Net assets		814 407 631	826 238 821
NET ASSETS			
Accumulated surplus / (deficit)		814 407 631	826 245 672
Total net assets		814 407 631	826 245 672

Blouberg Municipality
Statement of Changes in Net Assets
as at 30 June 2013

		Housing Development Fund Reserve	Revaluation Reserve	Other reserves	Total: Reserves	Accumulated Surplus/(Deficit)	Total: Net Assets
Note		R	R	R	R	R	R
	Balance at 30 June 2011		2 956 023 952		2 956 023 952	161 486 633	3 117 510 585
	Changes in accounting policy				-		-
	Correction of prior period error				-		-
	Restated balance	-	2 956 023 952	-	2 956 023 952	161 486 633	3 117 510 585
	Surplus / (deficit) on revaluation of property of property, plant and equipment		-16 484 759		-16 484 759	-640 497	-17 125 256
	Net gains and losses not recognised in the statement of financial performance				-		-
	Transfers to / from accumulated surplus/(deficit)				-		-
	Surplus / (deficit) for the period					5 351 118	5 351 118
	Balance at 30 June 2012	-	2 939 539 193	-	2 939 539 193	166 197 254	3 105 736 447
	Correction of prior period error classification		-2 938 890 393		-2 938 890 393	2 938 890 393	-
	Correction of prior period errors					-2 279 490 775	-2 279 490 775
	Restated balance	-	648 800	-	648 800	825 596 872	826 245 672
	Surplus / (deficit) on revaluation of property of property, plant and equipment				-		-
	Net gains and losses not recognised in the statement of financial performance				-		-
	Transfers to / from accumulated surplus/(deficit)				-		-
	Surplus / (deficit) for the period					-11 838 041	-11 838 041
	Balance at 30 June 2013	-	648 800	-	648 800	813 758 831	814 407 631

Blouberg Municipality
Cash Flow Statements
as at 30 June 2013

	Note	2013 R	Restated 2012 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		144 242 029	129 309 743
Taxation		5 168 992	4 527 983
Sales of goods and services		11 239 061	9 602 287
Grants		120 290 000	107 045 000
Interest received		422 508	712 912
Other receipts		7 121 469	7 421 560
Payments		117 628 630	104 978 377
Employee costs		67 273 108	59 534 678
Suppliers		50 355 523	45 443 699
Interest paid			
Other payments			
Net cash flows from operating activities	30	26 613 399	24 331 365
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets (PPE)		-29 079 033	-23 809 260
Proceeds from sale of fixed assets		732 731	
Movement		921 000	166 171
Net cash flows from investing activities		-27 425 301	-23 643 090
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings			
Net cash flows from financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		-811 902	688 275
Net cash and cash equivalents at beginning of period		3 161 503	2 473 228
Net cash and cash equivalents at end of period	31	2 349 601	3 161 503

as at 30 June 2013

[illegible]

Blouberg Municipality
Notes to The Annual Financial Statements
for the year ended 30 June 2013

	Note	2013 R	Restated 2012 R
1 INVENTORIES			
Opening balance		3 165 395	3 074 737
Additions		-	18 461 278
Issued (expensed)		1 748 827	18 370 620
Write-down / (Reversal of write-down) to Net Replacement Value (NRV) or Net Replacement Cost (NRC)		-	-
Closing balance of inventories		1 416 567.92	3 165 395
Consumable stores		638 568	742 396
Vacant stands		778 000	2 423 000
2 CASH AND CASH EQUIVALENTS			
Cash and cash equivalents consist of the following:			
Cash on hand			
Cash at bank		2 349 601	3 161 503
Call deposits			
		<u>2 349 601</u>	<u>3 161 504</u>
The Municipality has the following bank accounts: -			
<u>Current Account (Primary Bank Account)</u>			
ABSA Bank Limited - Polokwane Branch: Account Number 1150169476			
Cash book balance at beginning of year		<u>3 113 479</u>	<u>2 424 961</u>
Cash book balance at end of year		<u>2 302 117</u>	<u>3 113 479</u>
Bank statement balance at beginning of year		<u>4 767 802</u>	<u>3 118 115</u>
Bank statement balance at end of year		<u>2 681 417</u>	<u>4 767 802</u>
<u>Current Account (Other Account)</u>			
ABSA Bank Limited - Polokwane Branch: Account Number 4057350474			
Cash book balance at beginning of year		<u>48 024</u>	<u>48 267</u>
Cash book balance at end of year		<u>47 484</u>	<u>48 024</u>
Bank statement balance at beginning of year		<u>48 024</u>	<u>48 267</u>
Bank statement balance at end of year		<u>47 484</u>	<u>48 024</u>
<u>Cash on hand</u>		<u>-</u>	<u>-</u>
Total cash and cash equivalents		<u>2 349 601</u>	<u>3 161 504</u>
Total bank overdraft		<u>-</u>	<u>-</u>

Blouberg Municipality
Notes to The Annual Financial Statements
for the year ended 30 June 2013

	Note	2013 R	Restated 2012 R
3 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS	Gross Balances	Provision for Doubtful Debts	Net Balance
<u>Trade receivables</u>	R	R	R
as at 30 June 2013			
Service debtors			
Electricity	2 714 336	-264 241	2 450 095
Rates	23 126 643	-12 447 156	10 679 487
Sundry	1 668 844	-162 462	1 506 382
Refuse	1 009 481	-98 273	911 208
Total	28 519 304	-12 972 132	15 547 172
<u>Other receivables</u>	4 520 870	-3 585 136	935 734
Other receivables(CDM)	4 520 870	-3 585 136	935 734
Total Trade and other receivables	33 040 174	-16 557 268	16 482 906
as at 30 June 2012			
Service debtors			
Electricity	2 971 764	-740 107	2 231 656
Refuse	828 539	-206 345	622 194
Rates	9 465 613	-2 357 377	7 108 236
Sundry	2 791 440	-695 198	2 096 242
Total	16 057 356	-3 999 027	12 058 328
<u>Other receivables</u>	3 439 452	-3 059 581	379 871
Other receivables(CDM)	3 439 452	-3 059 581	379 871
Total Trade and other receivables	19 496 807	-7 058 608	12 438 199
<u>Electricity, rates ,other and Refuse: Ageing</u>			
Previous balance			
Current (0 – 30 days)		687 532	863 101
31 - 60 Days		266 653	246 364
61 - 90 Days		380 064	166 560
91 - 120 Days		296 040	227 023
121 - 365 Days		16 024 538	6 075 892
+ 365 Days		15 385 348	11 917 866
Total		33 040 174	19 496 807
<u>Summary of Debtors by Customer Classification</u>	Consumers	Industrial / Commercial	National and Provincial Government
	R	R	R
as at 30 June 2013			
Current (0 – 30 days)	425 172	53 864	291 789
31 - 60 Days	213 155	39 788	51 521
61 - 90 Days	263 404	115 387	11 662
91 - 120 Days	423 418	39 845	10 673
121 - 270 Days	1 313 625	248 761	84 756
+ 270 Days	9 872 798	12 116 444	7 464 111
Sub-total	12 511 572	12 614 089	7 914 513
Total debtors by customer classification	12 511 572	12 614 089	7 914 513
as at 30 June 2012			
Current (0 – 30 days)	114 454	104 452	56 258
31 - 60 Days	118 719	94 286	11 551
61 - 90 Days	109 159	50 563	30 018
91 - 120 Days	121 660	65 175	15 076
121 - 270 Days	830 239	1 754 094	158 444
+ 270 Days	6 068 562	4 798 847	4 995 250
Sub-total	7 362 792	6 867 418	5 266 597
Total debtors by customer classification	7 362 792	6 867 418	5 266 597

Blouberg Municipality
Notes to The Annual Financial Statements
for the year ended 30 June 2013

	Note	2013 R	Restated 2012 R
3 Reconciliation of the doubtful debt provision			
Balance at beginning of the year		7 058 608	15 212 488
Contributions to provision		9 498 660	-
Doubtful debts written off against provision		-	-
Reversal of provision		-	-8 153 880
Balance at end of year		16 557 268	7 058 608

Trade and other receivables past due but not impaired

Trade and other receivables impaired

As of 30 June 2013, trade and other receivables of R 33 040 174 (2012: R 19 496 807) were impaired and provided for.

The amount of the provision was R 16 557 268 as of 30 June 2013 (2012: R 7 058 608).

The ageing of these receivables is as follows:

	33 040 174	19 496 807
3 to 6 months	2 313 458	2 583 212
Over 6 months	30 726 716	16 913 595

The fair value of trade and other receivables approximates their carrying amounts.

4 TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Other debtors	4 826 364	9 601 160
Prepayments (if not material)	-	-
Total	4 826 364	9 601 160

Trade receivables - Property Rates

as at 30 June 2013

	Gross Balances R	Provision for Doubtful Debts R	Net Balance R
Property Rates	23 126 643	12 447 156	10 679 487
	23 126 643	12 447 156	10 679 487

as at 30 June 2012

	Gross Balances R	Provision for Doubtful Debts R	Net Balance R
Property Rates	9 465 613	2 357 377	7 108 235
	9 465 613	2 357 377	7 108 235

Property Rates: Ageing

Current (0 – 30 days)	282 847	54 458
31 - 60 Days	79 965	53 919
61 - 90 Days	81 511	53 731
91 - 120 Days	59 142	52 302
121 - 365 Days	14 316 387	3 002 372
+ 365 Days	8 306 791	6 248 831
Total	23 126 643	9 465 613

Reconciliation of the doubtful debt provision for property rates

Balance at beginning of the year	2 357 377	10 683 961
Contributions to provision	10 089 779	-
Doubtful debts written off against provision	-	-8 326 584
Reversal of provision	-	-
Balance at end of year	12 447 156	2 357 377

Blouberg Municipality
Notes to The Annual Financial Statements
for the year ended 30 June 2013

	Note	2013 R	Restated 2012 R
<u>Property rates impaired</u>			
As of 30 June 2013, property rates of R 23 126 643 (2012: R 9 465 613) were impaired and provided for.			
The amount of the provision was R 12 447 156 as of 30 June 2013 (2012: R 2 357 377).			
The ageing of these receivables is as follows:			
3 to 6 months		23 126 643	9 465 613
Over 6 months		362 812	108 377
		22 763 831	9 357 236
The fair value of property rates approximates their carrying amounts.			
5 INVESTMENTS			
5 NON - CURRENT			
<u>Financial Instruments</u>			
Fixed Deposits		3 097 833	4 029 617
Listed Investments		-	-
Other Investments		-	-
		<u>3 097 833</u>	<u>4 029 617</u>
The Investments refer to -			
The municipality's investment is fixed deposit held at ABSA as Eskom guarantee amounting to R 3,079,000 . The municipality does not have access , they only receive interest on the investment.			
During the year interest of R 218,400 was earned from the investment and R 921,000 withdrawn.			
6 OTHER FINANCIAL ASSETS			
6 OTHER CURRENT FINANCIAL ASSETS			
Other current financial assets		<u>4 963 705</u>	<u>2 494 446</u>

Blouberg Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

7 PROPERTY, PLANT AND EQUIPMENT

7 Reconciliation of Carrying Value

	Land	Buildings	Infrastructure	Community	Other Assets	Plant and Equipment:	Total
	R	R	R	R	R	R	R
as at 1 July 2012	10 221 290	29 619 808	739 396 589	40 397 536	9 459 158	-	829 094 381
Cost/Revaluation	10 221 290	39 181 713	1 068 435 650	52 061 474	12 358 897	-	1 182 259 023
Correction of error (note 48)							-
Change in accounting policy (note 47)							-
Accumulated depreciation and impairment losses	-	-9 561 904	-329 039 060	-11 663 938	-2 899 739	-	-353 164 642
Acquisitions	-	-	5 424 102	7 982 912	1 786 163	-	15 193 177
Capital under Construction	-	-	-	13 609 825	-	-	13 609 825
Depreciation	-	-1 567 269	-41 347 334	-1 938 206	-1 574 022	-	-46 426 830
Carrying value of disposals	-	-	-	-	-766 935	-	-766 935
Cost/Revaluation	-	-	-	-	-1 091 499	-	-1 091 499
Accumulated depreciation and impairment losses	-	-	-	-	324 565	-	324 565
Impairment loss/Reversal of impairment loss		-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Other movements*	-	-	-	-	-	-	-
as at 30 June 2013	10 221 290	28 052 540	703 473 357	60 052 067	8 911 171	-	810 710 425
Cost/Revaluation	10 221 290	39 181 713	1 073 859 751	73 654 211	13 053 561	-	1 209 970 526
Accumulated depreciation and impairment losses	-	-11 129 173	-370 386 395	-13 602 144	-4 142 390	-	-399 260 101

*Other movements consist of

Refer to Appendix B for more detail on property, plant and equipment

[App B!A1](#)

Blouberg Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

7 Reconciliation of Carrying Value	Land	Buildings	Infrastructure	Community	Other Assets	Finance lease assets	Total
	R	R	R	R	R	R	R
as at 1 July 2011	10 221 290	29 809 278	761 041 385	35 173 835	5 944 202	-	842 189 990
Cost/Revaluation	10 221 290	37 803 914	1 049 818 876	45 042 805	7 397 278	-	1 150 284 163
Correction of error (note 48)							-
Change in accounting policy (note 47)							-
Accumulated depreciation and impairment losses	-	-7 994 636	-288 777 491	-9 868 970	-1 453 077	-	-308 094 173
Acquisitions	-	1 377 799	18 595 619	3 589 111	1 378 078	-	24 940 607
Capital under Construction	-	-	21 154	3 429 558	-	-	3 450 712
Depreciation	-	-1 567 269	-40 261 570	-1 794 968	-1 446 662	-	-45 070 469
Carrying value of disposals	-	-	-	-	-	-	-
Cost/Revaluation	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-
Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
*Other movements	-	-	-	-	-	-	-
as at 30 June 2012	10 221 290	29 619 808	739 396 589	40 397 536	5 875 617	-	825 510 840
Cost/Revaluation	10 221 290	39 181 713	1 068 435 649	52 061 474	8 775 356	-	1 178 675 482
Accumulated depreciation and impairment losses	-	-9 561 904	-329 039 060	-11 663 938	-2 899 739	-	-353 164 642

*Other movements consist of

Refer to Appendix B for more detail on property, plant and equipment

[App B!A1](#)

Blouberg Municipality
NOTES TO THE FINANANCIAL STATEMENTS
for the year ended 30 June 2013

8 BIOLOGICAL ASSETS

8 Reconciliation of Carrying Value	Trees in plantation R	Maize R	Wheat R	Sheep R	Pigs R	Dairy Cattle R	Other Assets R	Total R
as at 1 July 2012	-	-	-	-	-	-	-	-
Cost/Valuation	-	-	-	-	-	-	-	-
Correction of error								-
Change in accounting policy								-
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-
Acquisitions	89 560	-	-	-	-	-	-	89 560
Decrease due to harvest/sales	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Gains/losses from changes in fair value	-	-	-	-	-	-	-	-
Carrying value of disposals	89 560	-	-	-	-	-	-	89 560
Cost/Valuation	89 560	-	-	-	-	-	-	89 560
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-
Impairment loss/Reversal of impairment loss	-89 560	-	-	-	-	-	-	-89 560
Transfers	-	-	-	-	-	-	-	-
Other movements*	-	-	-	-	-	-	-	-
as at 30 June 2013	-	-	-	-	-	-	-	-
Cost/Valuation	89 560	-	-	-	-	-	-	89 560
Accumulated depreciation and impairment losses	-89 560	-	-	-	-	-	-	-89 560

* Other movements consist of.....

Blouberg Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

8 Reconciliation of Carrying Value	Trees in plantation R	Maize R	Wheat R	Sheep R	Pigs R	Dairy Cattle R	Other Assets R	Total R
as at 1 July 2011	-	-	-	-	-	-	-	-
Cost/Valuation								-
Correction of error (note 48)								-
Change in accounting policy (note 47)								-
Accumulated depreciation and impairment losses								-
Acquisitions	-	-	-	-	-	-	-	-
Decrease due to harvest/sales	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Gains/losses from changes in fair value	-	-	-	-	-	-	-	-
Carrying value of disposals	-	-	-	-	-	-	-	-
Cost/Valuation								-
Accumulated depreciation and impairment losses								-
Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Other movements*	-	-	-	-	-	-	-	-
as at 30 June 2012	-	-	-	-	-	-	-	-
Cost/Valuation								-
Accumulated depreciation and impairment losses								-

* Other movements consist of.....

Blouberg Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	Note	2013	Restated 2012
9 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS			
Trade creditors		4 594 605	6 601 550
Payments received in advance		921 025	5 715 665
Retentions		5 590 730	5 314 699
Staff leave accrual		-	-
Accrued interest		-	-
Other creditors		-	-
Total		11 106 359	17 631 914

The fair value of trade and other payables approximates their carrying amounts.

10 CONSUMER DEPOSITS

Electricity and Water		1	1
Accrued interest		-	-
Total consumer deposits		1	1

The municipality is currently not charging consumer deposits on new sites.

Guarantees held in lieu of Electricity and Water Deposits

11 VAT PAYABLE

VAT payable		1 059 704	816 763
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VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

11 VAT RECEIVABLE

VAT receivable		2 864 437	2 718 364
Vat Receivable / (Payable)		1 804 734	1 901 601

VAT is receivable from SARS amounts to R 712 147 and VAT is on the cash basis.

Blouberg Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	Note	2013	Restated 2012
12 PROVISIONS			
12 CURRENT PROVISIONS			
13th Cheque Provision		1 116 785	1 045 657
Current portion of long-service provision		282 000	191 000
Provision for leave		4 095 000	2 891 000
Other provisions		-	-
Total		5 493 785	4 127 657

The 13th cheque is paid every year of employment on the birthday of each employee

13 NON-CURRENT PROVISIONS

Provision for long-service awards	1 619 000	1 004 000
Total Non-Current Provisions	1 619 000	1 004 000

The employees of Blouberg qualifies for the following long-service award additional leave for various periods of uninterrupted service

10 years uninterrupted service: 10 working days' leave

15 years uninterrupted service: 20 working days' leave

20 years uninterrupted service: 30 working days' leave

25 years uninterrupted service: 30 working days' leave

30 years uninterrupted service: 30 working days' leave

35 years uninterrupted service: 30 working days' leave

40 years uninterrupted service: 30 working days' leave

45 years uninterrupted service: 30 working days' leave

The movement in the non-current provision is reconciled as follows: -

Provision for long-service awards:		
Balance at the beginning of year	1 195 000	
Contributions to provision	706 000	1 195 000
Expenditure incurred	-	-
Increase in provision due to discounting	-	-
Transfer to current provisions	-	-
Balance at the end of year	1 901 000	1 195 000

13 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Expanded Public Works Programme Grant (EPWP)	-	-
Financial Management Grant (FMG)	-	358 791
Municipal Infrastructure Grant (MIG)	7 877 644	-
Municipal Systems Improvement Grant (MSIG)	-	-
Integrated National Electrification Programme Grant (INEP)	-	-
Other Government Grants And Subsidies (CDM)	1 863 493	3 233 907
	-	-
Total Unspent Conditional Grants and Receipts	9 741 137	3 592 698
Non-current unspent conditional grants and receipts	-	-
Current portion of unspent conditional grants and receipts	9 741 137	3 592 698

13 Expanded Public Works Programme Grant (EPWP)

Balance unspent at beginning of year	-	
Current year receipts	1 000 000	
Conditions met - transferred to revenue	-1 000 000	-
Conditions still to be met - remain liabilities	-	-

14 Financial Management Grant (FMG)

Balance unspent at beginning of year	358 791	342 879
Current year receipts	1 500 000	1 500 000
Conditions met - transferred to revenue	-1 858 791	-1 253 633
Withheld by National treasury through equitable share		-230 455
Conditions still to be met - remain liabilities	-	358 791

14 Municipal Infrastructure Grant (MIG)

Balance unspent at beginning of year	0	10 110 290
Current year receipts	30 904 000	25 477 000

Blouberg Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	Note	2013	Restated 2012
Conditions met - transferred to revenue		-23 026 356	-27 572 745
Withheld by National treasury through equitable share			-8 014 545
Conditions still to be met - remain liabilities		7 877 645	0
14 Municipal Systems Improvement Grant (MSIG)			
Balance unspent at beginning of year		0	39 655
Current year receipts		800 000	790 000
Conditions met - transferred to revenue		-800 000	-829 655
Conditions still to be met - remain liabilities		0	0
14 DME			
Balance unspent at beginning of year		0	4 204 238
Current year receipts		3 000 000	3 000 000
Conditions met - transferred to revenue		-3 000 000	-7 204 238
Conditions still to be met - remain liabilities		0	0
14 Water Services Grant			
Balance unspent at beginning of year		3 233 906	4 010 103
Current year receipts		1 000 000	730 000
Conditions met - transferred to revenue		-2 370 414	-1 506 197
Conditions still to be met - remain liabilities		1 863 493	3 233 906
14 OTHER CURRENT FINANCIAL LIABILITIES			
Other current financial liabilities		3 284 222	9 906 474
15 PROPERTY RATES			
Actual			
Residential		739 223	511 978
Commercial		1 040 625	551 521
Farms		7 769 928	1 171 590
Heavy Industries		163 800	-
State		5 653 603	5 694 124
Other		44 064	-
Total property rates		15 411 243	7 929 213
Property rates - penalties imposed and collection charges		-	-
Total		15 411 243	7 929 213
Valuations			
Residential		173 583 013	142 128 800
Commercial		2 553 660 600	27 576 000
State		391 419 000	284 173 000
Municipal		168 000	30 167 900
			536 000
Total Property Valuations		3 118 830 613	484 581 700

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2012.

A general rate of R 0.05 (2012-R0.01) is applied to property valuations to determine assessment rates for residential and a rate of R 0.015 (2012-R 0.02) is used for state owned properties and farms. A rate of 0.01 (2012-R 0.02) is used for businesses. (Rebates of 75% are granted to farms. 20% on residential and 30 % on business and state property owners. Rates are levied on an annual basis on property owners.

Interest at 5 % per annum (2012: 5%) is levied on outstanding rates.

Blouberg Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	Note	2013	Restated 2012
16 SERVICE CHARGES			
Sale of electricity		13 102 699	6 496 488
Refuse removal		234 718	226 206
Total Service Charges		13 337 417	6 722 694
17 RENTAL OF FACILITIES AND EQUIPMENT			
Rental of facilities		631 775	579 517
Rental of equipment		234 509	227 394
Other rentals		-	-
Total rentals		866 284	806 911
18 INTEREST EARNED - EXTERNAL INVESTMENTS			
Bank		214 891	200 998
Investments		207 616	511 914
Other			
Total interest		422 508	712 912
19 INTEREST EARNED - OUTSTANDING RECEIVABLES			
Debtors in arrears		192 715	44 497
Total interest		192 715	44 497
20 GOVERNMENT GRANTS AND SUBSIDIES			
Equitable Share		90 331 000	75 548 000
Expanded Public Works Programme Grant (EPWP)		1 000 000	-
Financial Management Grant (FMG)		1 858 791	1 253 633
Municipal Infrastructure Grant (MIG)		23 026 356	27 572 745
Municipal Systems Improvement Grant (MSIG)		800 000	829 655
Integrated National Electrification Programme Grant (INEP)		3 000 000	7 204 238
Other Government Grants And Subsidies (CDM)		2 370 414	1 506 197
Total Government Grant and Subsidies		122 386 561	113 914 467
Equitable Share		90 331 000	75 548 000

Blouberg Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	Note	2013	Restated 2012
21 OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS			
21 Other income			
Other income		6 595 590	13 898 659
Recovery of unauthorised, irregular, fruitless and wasteful expenditure (Note 50)		-	-
Total Other Income		6 595 590	13 898 659
21 Public contributions and donations			
Public contributions - Conditional		-	-
Public contributions - Unconditional		-	17 718 882
Donations		-	-
Total public contributions and donations		-	17 718 882
22 EMPLOYEE RELATED COSTS			
		62 553 213	48 558 485
Employee related costs - Salaries and Wages		34 852 738	27 335 480
Employee related costs - Contributions for UIF, pensions and medical aids		8 963 830	7 235 048
Travel, motor car, accommodation, subsistence and other allowances		8 229 691	6 912 263
Housing benefits and allowances		136 236	85 500
Overtime payments		976 294	920 322
Performance and other bonuses		2 558 435	2 059 543
Long-service awards		-	-
Other employee related costs		2 870 978	1 381 864
Total		58 588 203	45 930 019
Remuneration of the Municipal Manager			
Annual Remuneration		574 281	180 592
Performance- and other bonuses		23 928	-
Travel, motor car, accommodation, subsistence and other allowances		222 192	62 878
Contributions to UIF, Medical and Pension Funds		135 568	42 618
Total		955 969	286 088
Remuneration of the Chief Finance Officer			
Annual Remuneration		480 000	120 000
Performance- and other bonuses		36 667	-
Travel, motor car, accommodation, subsistence and other allowances		187 586	41 770
Contributions to UIF, Medical and Pension Funds		113 811	28 377
Total		818 063	190 147
Remuneration of Individual Executive Directors			
	Technical Services R	Corporate Services R	Community Services R
2013			
Annual Remuneration	454 079	305 995	458 992
Performance- and other bonuses	-	54 187	38 249
Travel, motor car, accommodation, subsistence and other allowances	231 165	175 460	181 515
Contributions to UIF, Medical and Pension Funds	108 960	73 760	108 615
Total	794 204	609 401	787 371
	Technical Services R	Corporate Services R	Community Services R
2012			
Annual Remuneration	428 941	430 515	413 136
Performance- and other bonuses	-	36 084	36 084
Travel, motor car, accommodation, subsistence and other allowances	175 450	137 549	150 209
Contributions to UIF, Medical and Pension Funds	110 406	109 103	124 754
Total	714 797	713 251	724 183

Blouberg Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	Note	2013	Restated 2012
23 REMUNERATION OF COUNCILLORS			
Mayor		665 421	397 732
Deputy Executive Mayor		-	-
Speaker		516 439	318 185
Chief Whip		504 034	298 299
Executive Committee Members		-	1 303 337
Councillors		-	3 828 094
Councillors' pension and medical aid contributions		1 010 177	886 288
Councillors' allowances		7 898 834	2 822 975
Total Councillors' Remuneration		10 594 905	9 854 910
In-kind Benefits			
The Mayor, Speaker, Chief Whip and some of Executive Committee Members are full-time.			
The Mayor has use of the Council owned vehicle for official duties. The Mayor has two full-time drivers.			
24 DEPRECIATION AND AMORTISATION EXPENSE			
Property, plant and equipment		46 426 830	45 069 800
Biological assets carried at cost		-	-
Total Depreciation and Amortisation		46 426 830	45 069 800
25 BULK PURCHASES			
Electricity		14 762 525	12 573 822
Water		-	-
Total Bulk Purchases		14 762 525	12 573 822
26 CONTRACTED SERVICES			
Contracted services for: <i>Security</i>		1 897 564	1 577 535
		1 897 564	1 577 535
27 GENERAL EXPENSES			
Included in general expenses are the following:-			
Advertising		152 924	98 938
Admin fees		270 497	122 383
Audit fees		2 074 016	1 841 164
Bank charges		275 252	245 283
Bursaries		535	1 600
Conferences and delegations		657 321	804 840
Connection charges		639 052	135 750
Financial management grant		908 176	730 963
Fuel and oil		2 300 691	2 353 843
Insurance		451 232	396 938
Licence fees - vehicles		51 665	66 650
Licence fees - computers		267 553	38 773
Membership fees		207 499	702 260
Postage		12 000	3 196
Printing and stationery		665 159	587 924
Professional fees		4 130 119	1 546 401
Rental of office equipment		763 710	897 341
Skills development levies		429 130	370 045
Stocks and material		1 916 454	15 721 036
Travel and subsistence		6 077 841	4 648 812
Valuation costs		438 596	2 439 692
Water and Sanitation		62 788	67 928
Public participation		3 870 432	3 984 171
Other		5 311 556	5 627 494
		31 934 199	43 433 424
28 GAIN / (LOSS) ON SALE OF ASSETS			
Property, plant and equipment		-34 204	-
Total Gain / (Loss) on Sale of Assets		-34 204	-

Blouberg Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	Note	2013	Restated 2012
29 IMPAIRMENT LOSS / (REVERSAL OF IMPAIRMENT LOSS)			
Property, plant and equipment		6 806	-
The is a small section of the assets that were assessed as impaired.			
Biological assets		89 560	-
During the year the municipality purchased trees. The trees were affected by the weather and they dried. As a result they were impaired			
Total Impairment loss		96 366	-
		-	-
		-	-
30 CASH GENERATED BY OPERATIONS			
Surplus/(deficit) for the year		-11 838 041	5 351 118
Adjustment for:-			
Depreciation and amortisation		46 426 830	45 069 800
(Gain) / loss on valuation of inventory			-16 884 013
Cost of land inventory		1 645 000	15 490 360
Contribution to provisions		1 981 128	4 086 000
Grants withheld		-10 792 978	
Deferred income recognised		-160 190	-5 415 220
Decrease/increase in Provision for bad debts		9 498 659	-5 913 176
Loss on disposal of assets		34 204	-
Prior year payment			-
Impairment loss on biological assets		89 560	-
Impairment loss on assets		6 806	
Other non-cash item			
Operating surplus before working capital changes:		36 890 979	41 784 869
(Increase)/decrease in inventories		1 748 827	-380 859
(Increase)/decrease in trade receivables		-4 044 707	-4 212 016
(Increase)/decrease in other receivables		1 390 058	-5 046 730
(Increase)/decrease in VAT receivable		96 867	-5 445 670
Increase/(decrease) in conditional grants and receipts		6 148 439	-6 869 468
Increase/(decrease) in trade payables		-6 525 555	4 501 238
Increase/(decrease) in consumer deposits		-	-
Increase in other payable		-	-
Other current financial assets		-2 469 259	-
Other current financial liabilities		-6 622 252	
Cash generated by/(utilised in) operations		26 613 399	24 331 365
31 CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the cash flow statement comprise the following:			
Bank balances and cash		2 349 601	3 161 504
Bank overdrafts		-	-
Net cash and cash equivalents		2 349 601	3 161 504

Blouberg Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	Note	2013	Restated 2012
32 CHANGE IN ACCOUNTING POLICY			
financial statements of the municipality arising from the implementation of new accounting policies and changes to existing policies:			
32 Impairment of Debtors			
Balance previously reported			
Implementation of GRAP 104			
Transferred to Accumulated Surplus/(Deficit)		-2 240 704	
Total		-2 240 704	-

Blouberg Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	Note	2013	Restated 2012
32 CORRECTION OF ERROR			
During the year ended 30 June 2012 and previous years, PPE and other assets were incorrectly recognised: - The journals to eliminate water transactions were posted incorrectly hence the prior year debtors were not correct			
The comparative amount has been restated as follows:			
Other income understated due to water commission		25 109	
Interest earned - outstanding receivables		40 791	
Rental of facilities and equipment due to duplications		-40 647	
Contracted services an accrual not recorded		-1 160 946	
General expenses understated		-14 628	
Service charges		-531 601	
Donation Income overstated		29 079 202	
Depreciation overstated		-2 894 287	
Net effect on surplus/(deficit) for the year		<u>24 502 993</u>	<u>-</u>
PPE		-2 354 668 068	
Impairment of Debtors		-2 240 704	
Trade and other receivables from exchange transactions understated due to wrong journals for CDM water		3 749 120	
Trade and other receivables from non-exchange transactions overstated due to wrong CDM water journals		-4 274 102	
VAT receivable overstated due to refunds recorded in the wrong vote		-4 346 817	
Other current financial liabilities overstated as a result of wrong transactions		4 513 356	
Trade and other payables from exchange transactions not accrued		-1 323 478	
Inventory overstated		29 079 202	
Accumulated Surplus		2 347 849 706	
Accumulated depreciation		-2 894 287	
Net effect on Statement of Financial Position		<u>15 443 927</u>	<u>-</u>
Net effect on Accumulated surplus opening balance		<u>15 443 927</u>	<u>-</u>
UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE			
33 DISALLOWED			
33 Unauthorised expenditure			
Reconciliation of unauthorised expenditure			
Opening balance		30 445 425	21 511 529
Unauthorised expenditure current year		7 391 536	8 676 194
Burial fee			48 000
Payments not authorised according to delegation of powers			209 702
Approved by Council or condoned		-25 119 833	
Transfer to receivables for recovery			
Unauthorised expenditure awaiting authorisation		<u>12 717 128</u>	<u>30 445 425</u>
Incident:			
Unspent condition grants is disclosed in note 40 of the financial statements at a balance of R 7,4 million . The municipality has a cash and cash equivalents aggregating to R 2,3 million. Therefore the amount of R 7,4 million is not backed by cash.			
		7 391 536	8 676 194
33 Fruitless and wasteful expenditure			
Reconciliation of fruitless and wasteful expenditure			
Opening balance -		119 645	
Fruitless and wasteful expenditure current year		91 530	119 645
Condoned or written off by Council		-119 645	
To be recovered – contingent asset			
Fruitless and wasteful expenditure awaiting condonement		<u>91 530</u>	<u>119 645</u>
33 Irregular expenditure			
Reconciliation of irregular expenditure			
Opening balance		20 068 669	45 939
Fruitless and wasteful expenditure current year			20 022 730
Condoned or written off by Council		-20 022 730	
Transfer to receivables for recovery – not condoned			
Irregular expenditure awaiting condonement		<u>45 939</u>	<u>20 068 669</u>

Blouberg Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	Note	2013	Restated 2012
ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE			
34 MANAGEMENT ACT			
34 Contributions to organised local government			
Opening balance		514 352	
Council subscriptions			
Amount paid - current		-514 352	-702 260
Amount paid - previous years		177 307	187 908
Balance unpaid (included in payables)		177 307	-514 352

34 Audit fees			
Opening balance			
Current year audit fee		2 233 890	1 710 990
Amount paid - current year		-2 205 975	-1 558 574
Amount paid - previous years			-152 416
Balance unpaid (included in payables)		27 915	-

The balance unpaid represents the audit fee for the stock count conducted on June 2013 and is payable by 31 July 2013.

34 VAT

VAT input receivables and VAT output payables are shown in note 15.

34 PAYE and UIF

Opening balance			
Current year payroll deductions		9 200 861	7 173 482
Amount paid - current year		-8 403 711	-7 173 482
Amount paid - previous years			
Balance unpaid (included in payables)		797 150	-

The balance represents PAYE and UIF deducted from the June 2013 payroll. These amounts were paid during July 2013.

35 Pension and Medical Aid Deductions

Opening balance		1 047 106	
Current year payroll deductions and Council Contributions		13 954 438	11 867 243
Amount paid - current year		-13 779 869	-10 820 137
Amount paid - previous years			
Balance unpaid (included in payables)		1 221 674	1 047 106

The balance represents pension and medical aid contributions deducted from employees in the June 2013 payroll as well as Council's contributions to pension and medical aid funds. These amounts were paid during July 2013.

35 Councillor's arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at: -

as at 30 June 2013

S.E SEKGOLOANE

M.S MABOYA

Total Councillor Arrear Consumer Accounts

Total	Outstanding less than 90 days	Outstanding more than 90 days
R	R	R
2 668	518	2 150
158	158	
2 826	675	2 150

as at 30 June 2012

S.E SEKGOLOANE

M.S MABOYA

Total Councillor Arrear Consumer Accounts

845	318	527
106	106	
951	424	527

During the year the following Councillors had arrear accounts outstanding for more than 90 days.

as at 30 June 2013

S.E SEKGOLOANE

M.S MABOYA

as at 30 June 2012

S.E SEKGOLOANE

M.S MABOYA

Highest Amount Outstanding R	Ageing Days
2 668	365 days
158	30 days
845	270 days
106	30 days

Blouberg Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	Note	2013	Restated 2012
35 CAPITAL COMMITMENTS			
35 Commitments in respect of capital expenditure			
- Approved and contracted for Infrastructure		2 527 871	11 929 946
		2 527 871	11 929 946
Total		2 527 871	11 929 946
This expenditure will be financed from:			
- External Loans			
- Government Grants		2 527 871	11 929 946
- Own resources			
- District Council Grants			
		2 527 871	11 929 946
35 Operating leases			
At the reporting date the entity had outstanding commitments under operating leases payable as follows.			
Operating leases - lessee			
Within one year		-	63 203
In the second to fifth year inclusive		-	-
After five years			
Total		-	63 203
Operating Leases consists of the following: Operating lease payments represent rentals payable by the municipality for use of the printing machines. Leases are negotiated for an average term of five years.			
36 Distribution losses			
Electricity		2 517 976	-
37 CONTINGENT LIABILITY			
37 Claim for damages			
		20 694 392	220 000 000
The Municipality is being sued by a ratepayer due to damages arising from eviction without a valid court order. Council is contesting the claim based on legal advice. According to the lawyers the plaintiff have not taken any further steps since the issuing of the summons over 5 years ago hence we may regard the issue as resolved. The contingent liability includes legal costs. Should Council be unsuccessful in defending the claim, there is a possibility that the claim will be settled.			
38 IN-KIND DONATIONS AND ASSISTANCE			
The Municipality received the following in-kind donations and assistance			
<u>Description</u>			
land			17 417 882
39 RELATED PARTIES			
Associates			Capricorn District Municipality
Compensation to councillors and other key management			
Related party transactions			
Commission received from related parties		1 286 098.00	835 435.98
Debtors		4 520 869.91	3 439 451.53
The municipality is involved in an agency relationship with Capricorn District Municipality for the provision of water services			
Salaries to councillors and key management		14 559 915	13 377 213
40 EVENTS AFTER THE REPORTING DATE			

Blouberg Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	Note	2013	Restated 2012
<p>The municipality's key management are assessed for performance bonuses yearly. Per the performance reviews performed after balance sheet date none of the key management qualified for the performance bonus for the year ended 30 June 2013 hence no provision for performance bonuses.</p>			

41 KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The following areas involve a significant degree of estimation uncertainty:

Useful lives and residual values of property, plant, and equipment
Recoverable amounts of property, plant and equipment
Fair value of plan assets
Provision for doubtful debts
Impairment of assets
Provision for long-term service award
Other

The following areas involved judgements, apart from those involving estimations disclosed above, that management has made in the process of applying the municipality's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Impairment of assets
Provisions
Other

Blouberg Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	Note	2013	Restated 2012
42 RESTATEMENT OF COMPARATIVE INFORMATION			
<p>The CDM : CREDITORS/DEBTORS WSP have been reclassified to creditors. The unspent grants were for 2011/2012 were not approved for rollover hence they have been reclassified to other financial liabilities. The now current portion of long term provision have been seperated from the current provisions. The VAT on debtors has been reclassified to consumer debtors.The effect of the restatement is summarised below:</p>			
Statement of Financial Position:			
Trade and other receivables from non-exchange transactions			-184 619
Other current financial liabilities			8 788 410
Current portion of unspent conditional grants and receipts			-8 603 791
Non-current provisions			-1 004 000
Current provisions			1 004 000
Trade and other receivables from exchange transactions			915 778
VAT receivable			-915 778
			<u><u>-0</u></u>

43 COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexures comparison of Budget and actual.

Blouberg Municipality
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2013

	Cost / Revaluation					Accumulated Depreciation and Accumulated Impairment					Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance			
	R	R	R	R	R	R	R	R	R	R	R	R	R
Land													
Land	10 221 290	-	-		10 221 290	-	-	-		-	-	-	10 221 290
Operational buildings					-					-			-
Community facilities					-					-			-
					-								
	10 221 290	-	-	-	10 221 290	-	-	-	-	-	-	-	10 221 290
Buildings	39 181 713	-	-	-	39 181 713	-9 561 904	-1 567 269	-	-	-11 129 173	-	-	28 052 540
Infrastructure					-								
Drains	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads	353 577 271	601 420	-	-	354 178 691	-131 659 227	-24 982 156	-	-	-156 641 383	-	-	197 537 308
Sewerage Mains & Purification			-	-	-		-	-	-	-	-	-	-
Electricity Mains	714 858 379	4 822 681	-	-	719 681 061	-197 379 833	-16 365 179	-	-	-213 745 012	-	-	505 936 049
Electricity Peak Load Equip	-	-	-	-	-	-	-	-	-	-	-	-	-
other	-	-	-	-	-	-	-	-	-	-	-	-	-
Reservoirs – Water	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency / rescue equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire fighting equipment / fire hoses	-	-	-	-	-	-	-	-	-	-	-	-	-
Under construction	-	-	-	-	-	-	-	-	-	-	-	-	-
	1 068 435 650	5 424 102	-	-	1 073 859 751	-329 039 060	-41 347 334	-	-	-370 386 395	-	-	703 473 357
Community Assets													
COMMUNITY FACILITIES	52 061 474	7 982 912	-	13 609 825	73 654 211	-11 663 938	-1 938 206	-	-	-13 602 144	-	-	60 052 067
Parks & Gardens	52 061 474	-	-	-	-	-11 663 938		-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation Grounds	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Stadiums	-	-	-	-	-	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-	-	-	-	-
Theatre	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming Pools	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-
	104 122 948	7 982 912	-	13 609 825	73 654 211	-23 327 877	-1 938 206	-	-	-13 602 144	-	-	60 052 067
Total carried forward	1 221 961 601	13 407 014	-	13 609 825	1 196 916 966	-361 928 842	-44 852 809	-	-	-395 117 712	-	-	801 799 254

Blouberg Municipality
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
for the year ended 30 June 2013

	Cost / Revaluation					Accumulated Depreciation					Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance			
	R	R	R	R	R	R	R	R	R	R	R	R	R
Total brought forward	1 221 961 601	13 407 014	-	13 609 825	1 196 916 966	-361 928 842	-44 852 809	-	-	-395 117 712	-	-	801 799 254
Other Assets													
Emergency Equipment:													
Emergency / rescue equipment	38 060	-	-	-	38 060	-9 264	-6 851	-	-	-16 115	-	-	21 946
Fire fighting equipment / fire hoses	38 497	-	-	-	38 497	-10 214	-6 929	-	-	-17 143	-	-	21 354
Furniture and Fittings:													
Cabinets & cupboards	915 334	195	-3 070		912 459	-213 438	-116 657	262	-	-329 833	-	-	582 626
Chairs and couches	1 148 362	-	-17 692		1 130 670	-353 666	-140 644	8 972	-	-485 338	-	-	645 332
Other furniture and fittings	134 697	5 780	-2 836		137 641	-36 733	-23 706	1 404	-	-59 035	-	-	78 605
Shelving and bookcases	378 042	-	-		378 042	-113 343	-48 605	-	-	-161 948	-	-	216 094
Tables & desks	930 548	195	-14 191		916 552	-234 946	-117 600	7 025	-	-345 522	-	-	571 030
Motor Vehicles:													
Passenger vehicles	1 326 910	388 525	-330 700		1 384 736	-214 254	-88 530	87 305	-	-215 479	-	-	1 169 256
Specialised vehicles	301 679	571 599	-		873 278	-52 538	-50 432	-	-	-102 970	-	-	770 307
Trucks, buses and ldv's	733 100	302 184	-580 100		455 184	-200 882	-20 971	153 146	-	-68 707	-	-	386 477
Tractors	428 400	-	-		428 400	-63 389	-21 983	-	-	-85 371	-	-	343 029
Trailers and accessories	1 101 940	292 875	-		1 394 815	-252 906	-92 243	-	-	-345 149	-	-	1 049 665
Office Equipment:													
Air conditioners	426 972	-	-		426 972	-130 145	-98 204	-	-	-228 349	-	-	198 623
Audiovisual equipment	76 956	26 541	-		103 497	-23 708	-17 572	-	-	-41 280	-	-	62 216
Office equipment - other	205 314	39 141	-42 489		201 966	-64 871	-34 883	21 412	-	-78 342	-	-	123 624
Computer hardware	1 822 794	127 169	-73 521		1 876 442	-555 188	-416 384	37 775	-	-933 797	-	-	942 645
Domestic equipment	64 423	29 755	-		94 178	-15 884	-15 647	-	-	-31 531	-	-	62 647
Office machines	112 922	1 460	-		114 382	-34 723	-18 678	-	-	-53 401	-	-	60 981
Plant and Equipment:													
Compressors	76 500	-	-		76 500	-20 655	-13 770	-	-	-34 425	-	-	42 075
Earth moving equipment	1 683 010	-	-26 900		1 656 110	-218 118	-149 050	7 263	-	-359 905	-	-	1 296 205
Lawnmowers / gardening equipment	18 500	746	-		19 246	-4 242	-3 413	-	-	-7 656	-	-	11 590
Plant and equipment - other	46 581	-	-		46 581	-22 328	-8 385	-	-	-30 713	-	-	15 868
Workshop equipment and tools	349 356	-	-		349 356	-47 497	-62 884	-	-	-110 381	-	-	238 975
	12 358 897	1 786 163	-1 091 499	-	13 053 561	-2 892 932	-1 574 022	324 565	-	-4 142 390	-	-	8 911 171
Finance Lease Assets													
Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1 234 320 498	15 193 177	-1 091 499	13 609 825	1 209 970 526	-364 821 774	-46 426 830	324 565	-	-399 260 101	-	-	810 710 425

Blouberg Municipality
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
for the year ended 30 June 2012

	Cost / Revaluation					Accumulated Depreciation and Accumulated Impairment					Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance			
	R	R	R	R	R	R	R	R	R	R	R	R	R
Land													
Land	10 221 290	-	-		10 221 290				-	-	-	-	10 221 290
Landfill Sites		-	-	-	-		-	-	-	-	-	-	-
Quarries		-	-	-	-		-	-	-	-	-	-	-
	10 221 290	-	-	-	10 221 290	-	-	-	-	-	-	-	10 221 290
Buildings	37 803 914	1 377 799	-	-	39 181 713	-7 994 636	-1 567 269	-	-	-9 561 904	-	-	29 619 808
Infrastructure													
Drains		-	-	-	-		-	-	-	-	-	-	-
Roads		-	-	-	-		-	-	-	-	-	-	-
Sewerage Mains & Purification	337 956 312	15 620 958	-	-	353 577 270	-107 691 207	-23 968 020	-	-	-131 659 227	-	-	221 918 043
Electricity Mains	711 862 564	2 974 661	-	21 154	714 858 379	-181 086 284	-16 293 550	-	-	-197 379 833	-	-	517 478 546
Electricity Peak Load Equip		-	-	-	-		-	-	-	-	-	-	-
Water Mains & Purification		-	-	-	-		-	-	-	-	-	-	-
Reservoirs – Water		-	-	-	-		-	-	-	-	-	-	-
Water Meters		-	-	-	-		-	-	-	-	-	-	-
Storm Water		-	-	-	-		-	-	-	-	-	-	-
Under construction		-	-	-	-		-	-	-	-	-	-	-
	1 049 818 876	18 595 619	-	21 154	1 068 435 649	-288 777 491	-40 261 570	-	-	-329 039 060	-	-	739 396 589
Community Assets													
COMMUNITY FACILITIES	45 042 805	3 589 111	-	3 429 558	52 061 474	-9 868 970	-1 794 968	-	-	-11 663 938	-	-	40 397 536
Libraries		-	-	-	-		-	-	-	-	-	-	-
Recreation Grounds		-	-	-	-		-	-	-	-	-	-	-
Civic Buildings		-	-	-	-		-	-	-	-	-	-	-
Stadiums		-	-	-	-		-	-	-	-	-	-	-
Halls		-	-	-	-		-	-	-	-	-	-	-
Theatre		-	-	-	-		-	-	-	-	-	-	-
Swimming Pools		-	-	-	-		-	-	-	-	-	-	-
Cemeteries		-	-	-	-		-	-	-	-	-	-	-
	45 042 805	3 589 111	-	3 429 558	52 061 474	-9 868 970	-1 794 968	-	-	-11 663 938	-	-	40 397 536
Total carried forward	1 142 886 885	23 562 529	-	3 450 712	1 169 900 126	-306 641 096	-43 623 807	-	-	-350 264 903	-	-	819 635 223

for the year ended 30 June 2012

Cost / Revaluation						Accumulated Depreciation							
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance	Transfers	Other movements	Carrying Value
	R	R	R	R	R	R	R	R	R	R	R	R	R
Total brought forward	1 142 886 885	23 562 529	-	3 450 712	1 169 900 126	-306 641 096	-43 623 807	-	-	-350 264 903	-	-	819 635 223
Other Assets													
Emergency Equipment:					-								
Emergency / rescue equipment	38 060		-	-	38 060	-3 020	-6 243	-	-	-9 264			28 796
Fire fighting equipment / fire hoses	38 497		-	-	38 497	-3 645	-6 569	-	-	-10 214			28 283
			-	-	-					-			-
Furniture and Fittings:			-	-									
Cabinets & cupboards	767 673	147 662	-	-	915 334	-110 359	-106 379			-216 738			698 596
Chairs and couches	1 009 132	139 230	-	-	1 148 362	-217 057	-138 193			-355 250			793 112
Other furniture and fittings	128 205	6 491	-	-	134 697	-14 824	-21 909			-36 733			97 964
Shelving and bookcases	378 042	-	-	-	378 042	-64 737	-48 605			-113 343			264 700
Tables & desks	832 630	97 918	-	-	930 548	-125 962	-108 984			-234 946			695 602
Motor Vehicles:			-	-						-			-
Passenger vehicles	624 919	701 991	-	-	1 326 910	-136 248	-78 006	-	-	-214 254	-	-	1 112 656
Specialised vehicles	301 679	-	-	-	301 679	-31 852	-20 687	-	-	-52 538	-	-	249 141
Trucks, buses and Idv's	733 100	-	-	-	733 100	-168 815	-32 067	-	-	-200 882	-	-	532 218
Tractors	428 400	-	-	-	428 400	-41 406	-21 983	-	-	-63 389	-	-	365 011
Trailers and accessories	1 037 200	64 740	-	-	1 101 940	-177 459	-75 447	-	-	-252 906	-	-	849 034
Office Equipment:													
Air conditioners	426 972	-	-	-	426 972	-31 942	-100 125	-	-	-132 067	-	-	294 905
Audiovisual equipment	76 956	-	-	-	76 956	-9 607	-14 102	-	-	-23 708	-	-	53 248
Office equipment - other	200 993	4 320	-	-	205 314	-28 812	-36 059	-	-	-64 871	-	-	140 443
Computer hardware	1 515 442	307 352	-	-	1 822 794	-170 804	-384 383	-	-	-555 188	-	-	1 267 607
Domestic equipment	62 668	1 754	-	-	64 423	-4 485	-11 399	-	-	-15 884	-	-	48 539
Office machines	86 608	26 314	-	-	112 922	-16 148	-18 575	-	-	-34 723	-	-	78 199
Plant and Equipment:			-	-	-								
Compressors	76 500	-	-	-	76 500	-6 885	-13 770	-	-	-20 655	-	-	55 845
Earth moving equipment	1 683 010	-	-	-	1 683 010	-66 647	-151 471	-	-	-218 118	-	-	1 464 892
Lawnmowers / gardening equipment	18 500	-	-	-	18 500	-912	-3 330	-	-	-4 242	-	-	14 258
Plant and equipment - other	43 581	3 000	-	-	46 581	-14 102	-8 226	-	-	-22 328	-	-	24 252
Workshop equipment and tools	80 750	268 606	-	-	349 356	-7 347	-40 149	-	-	-47 497	-	-	301 859
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Blouberg Municipality
APPENDIX C
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
as at 30 June 2013

	Cost / Revaluation					Accumulated Depreciation				Carrying value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R
Executive & Council	1 714 213	30 752			1 744 965	428 427	264 024		692 451	1 052 514
Finance & Admin	1 333 454	89 290			1 422 744	393 790	245 149		638 939	783 804
Planning & Development	165 949	7 632			173 582	44 531	29 399		73 929	99 652
Health	101 532 831	7 983 302	13 609 825		123 125 959	21 239 502	3 517 331		24 756 834	98 369 125
Community & Social Services	580 619	3 880			584 499	107 801	72 371		180 172	404 328
Public Safety	826 145	522 967		-3 500	1 345 612	200 939	127 224	-1 733	326 430	1 019 181
Sport & Recreation					-				-	-
Environmental Protection					-				-	-
Waste Management	104 881	195			105 076	29 333	19 404		48 737	56 340
Road Transport	354 199 803	601 910		-26 900	354 774 813	131 796 854	25 074 160	-7 263	156 863 751	197 911 062
Corporate services	6 882 847	1 116 116		-1 061 099	6 937 864	1 518 822	706 316	-315 569	1 909 569	5 028 294
Electricity	714 918 281	4 837 133			719 755 414	197 397 835	16 378 260		213 776 095	505 979 319
Other										
Total	1 182 259 024	15 193 177	13 609 825	-1 091 499	1 209 970 527	353 157 836	46 433 637	-324 565	399 266 908	810 703 619

Blouberg Municipality
APPENDIX D
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2013

2 012				2 013		
Actual Income	Actual Expenditure	Surplus / (Deficit)		Actual Income	Actual Expenditure	Surplus / (Deficit)
R	R	R		R	R	R
	25 312 051	-25 312 051	Executive & Council	-	27 431 192	-27 431 192
134 705 391	7 211 220	127 494 171	Finance & Admin	111 128 776	23 479 114	87 649 663
8 588 654	26 355 454	-17 766 800	Planning & Development	4 924 849	9 473 273	-4 548 424
1 825	22 062 664	-22 060 839	Corporate Services	360 531	25 417 160	-25 056 629
-	6 419 680	-6 419 680	Community & Social Services	1 000 000	9 169 550	-8 169 550
3 081 460	4 523 737	-1 442 277	Public Safety	4 214 263	6 410 492	-2 196 229
		-	Sport & Recreation	-	-	-
		-	Environmental Protection	-	-	-
360 325	196 004	164 321	Waste Management	452 794	71 119	381 675
27 572 745	2 919 903	24 652 842	Road Transport	23 026 356	5 956 196	17 070 160
-34 168	2 057 621	-2 091 789	Water	60 849	-42 940	103 789
15 109 170	59 155 314	-44 046 144	Technical Admin and Electricity	18 263 211	67 904 515	-49 641 304
			Other			
189 385 402	156 213 648	33 171 754		163 431 629	175 269 670	-11 838 041
			Less: Inter-Department Charges			
189 385 402	156 213 648	33 171 754	Total	163 431 629	175 269 670	-11 838 041